



March 9, 2009

Co-Chair Eileen M. Daily
Co-Chair Cameron C. Staples
Senator Andrew Roraback
Representative Vincent Candelora

Finance, Revenue, & Bonding Committee:

ICPA asks the Finance, Revenue, & Bonding Committee to **oppose H.B. 6350, AN ACT ELIMINATING EXEMPTIONS FROM THE SALES AND USE TAX AND LOWERING THE RATE OF SUCH TAX.**

The Independent Connecticut Petroleum Association (ICPA) represents 550 petroleum marketers and their associated business in Connecticut. ICPA members employ over 13,000 people in our state and provide our fellow citizens with gasoline and heating oil.

We would like to voice our **opposition to H.B. 6350** which would make the sales tax applicable heating oil. Any additional energy cost placed on residential heating oil consumers at this point would be extremely detrimental. If heating oil dealers were to buy oil today they would be looking at approximately a \$200 increase in the cost for a seasons worth of oil. Consumers who locked into contracts last summer would have seen as much as \$300 in additional expense if the sales tax were applied to those sales.

This proposed tax would also adversely affect the Connecticut Energy Assistance Program (CEAP). The Department of Social Services has reported record breaking numbers of people applying for heating assistance this year. A tax on heating oil would only exacerbate a growing problem by increasing the cost to heat homes and decreasing the number of gallons that CEAP can provide.

Heating oil, just as prescription drugs and food are necessities of life, therefore they have been tax exempt. We are aware of no state in America that taxes heating oil as it is necessary in cold weather states to live.

Consumer's, who are not CEAP eligible, ability to pay their heating oil bills will certainly be affected. At the worst, uncollected money could put a small family owned oil dealer out of business - at best unpaid bills will be passed along to paying customers in an increased cost of oil.

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Respectfully,

Christian A. Herb
Associate Director